

97-82

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KANSAS PERSONAL COMMUNICATION SERVICES, LTD

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June 20, 1997

RECEIVED

JUN 24 1997

Secretary
Federal Communications Commission
1919 M St. NW Room 222
Washington, DC 20554

FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF THE SECRETARY

Re: 97 82

DA 97-679 + DA 97 1152

Comments herein are being filed by Kansas Personal Communication Services, LTD (KPCS) in the above numbered dockets.

KPCS was started as a true entrepreneurial company as a separate corporation but in conjunction with Council Grove Telephone Company, a small rural telephone company with 2100 access lines. Licenses have been granted in 3 BTA's with 20 counties all in the state of Kansas. I understand that this is the only PCS company entirely based in Kansas and operating only in Kansas.

Because there were bidders who could bid in millions of dollars, our costs for licenses on two of the BTA's were increased substantially by these larger companies. We had to drop out of another BTA because of one larger company that has defaulted on its payments to FCC.

Our little PCS company has been able to raise almost \$1,000,000. and borrow almost an additional \$1,000,000. All of our payments have been made on time including Dec. 31, 1996, and Mar. 31, 1997 interest payments. To do this we borrowed the money and are paying interest on the borrowed money. Yet I know of others who have not made their interest payments, so they still have the use of their money as well as saving all the interest they would be paying on borrowed money. This is not fair to those of us who have worked hard to comply with the rules. We do not have the use of our money and are having to pay interest on these payments as well. Certainly it should be considered on the part of FCC to return our license interest payments as well as the amount of interest we have had to pay to make the FCC payments. If this isn't done, then the ones who haven't complied should lose their licenses.

All of the complication with the companies ^{bidding} too high and running up our bids has caused us problems in getting further

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financing for our buildout. Now the financial institutions are reminding us that PCS financing is not stable. Even the RTFC with backing by Lucent, with whom we have signed a contract, has indicated that we cannot be considered because we don't have enough to guarantee the whole project of the 3 BTA's. Who could meet such an extreme requirement.

The requests by MCI and Fortunet for five year term before any installment payments are due on interest would certainly be helpful. It really is hard to realize we are in the same category with these same giants, but feel we need it even more than they do. Also the 20 year license payment term would be helpful. If any waivers are granted, we deserve them as well.

KPCS does need the help and consideration of FCC. We have completed almost half of our phase one, but have had to stop because financing is hard to get even from those who had been interested previously. Lucent Technologies seems quite willing to do its part, but financial institutions are afraid of the Block C licensees.

The suggestion made by General Wireless to FCC to consider reducing the principal amount of its debt from an average C Block of \$40./pop to \$15./pop sounds great for them. However this small company couldn't bid that high in the first place. Our average is approximately \$17./pop. So if FCC would reduce the average, it must be done on a proportionate amount such as \$6./pop for this company. Perhaps FCC can consider this kind of help for us if done on a fair plan for all of us with C block licenses.

The MTA license holders for my territory in BTA 445 paid slightly more than \$10./pop when my cost was \$45.90/pop discounted to \$34.43/pop. How can we compete with these giants in this kind of situation? We small companies are being pushed out before we can even start.

Please consider those of us who really are small and have been in the communications business for many years. It is necessary to have tie PCS (we lost out on cellular because we lost in the cellular lottery) in order to protect our companion telephone company from being pushed out of business.

Respectfully submitted,
Bertha L. Coffin
Bertha L. Coffin, Pres.

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KANSAS PERSONAL COMMUNICATION SERVICES, LTD. FEDERAL COMMUNICATIONS COMMISSION
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Comments herein are being filed by Kansas Personal Communication Services, LTD (KPCS) in the above numbered docket.

It is not possible to understand why ^{you} dated the license date as you did, and caused the interest rate to be 7.0% instead of the 6.5% rate that is in effect for other lated licenses. Is it because we paid everything on time, met all deadlines and followed all rules that we are being penalized because of the date that you have set for our licences to be 7.0%? We finished the auction timely and waited for the FCC to act upon issuing the licenses. We request that our rate be changed to the correct applicable rate of 6.5%. This request has been formally made on behalf of this company to FCC. This is the only fair treatment. We have paid the interest for both Dec. 31, 1996, and March 31, 1997 and request correction of the rate.

Other comments on the problems of this small PCS company have been made for WT docket 97-82 and DA 97-679 and these show how there is discrimination concerning this company as well as other similar rural companies. Please consider the situation in which we are being placed when in the same category as the giants ^{who} could bid millions in the first place. Please don't let us go down the drain. Thank you for your earnest consideration.

Respectfully submitted,

Bertha L. Coffin
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